

Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 NEA-10 ISO-00 ERDA-05 AID-05 CEA-01

CIAE-00 COME-00 DODE-00 FEAE-00 FPC-01 H-01

INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-05

USIA-06 OES-07 SP-02 SS-15 STR-04 TRSE-00 ACDA-07

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FM AMEMBASSY TUNIS

TO SECSTATE WASHDC 0000

INFO AMEMBASSY ALGIERS

AMEMBASSY LONDON

AMEMBASSY ROME

AMEMBASSY PARIS

AMEMBASSY TRIPOLI

AMEMBASSY VALLETTA

C O N F I D E N T I A L TUNIS 5923

E.O. 11652: GDS

TAGS: ENRG, TSH

SUBJ: OFFSHORE OIL ACTIVITY IN TUNISIA: GULF OF HAMMAMET-

PROMISING PROSPECTS FOR PRODUCTION BUT NO BONANZA IN SIGHT

1. (BEGIN SUMMARY) FOR SEVERAL MONTHS THERE HAS BEEN MARKEDLY INCREASED INTEREST IN TUNISIAN OFFSHORE OIL AREA EXTENDING EASTWARD FROM THE GULF OF HAMMAMET TO BOUNDARIES WITH ITALY AND MALTA. GEOLOGICALLY, FOCUS HAS BEEN ON TERTIARY STRATA AT RELATIVELY SHALLOW DEPTHS. GREATEST INTEREST HAS CENTERED ON ELF-AQUITAINE'S RECENT DISCOVERY WELL, HALK-EL-MENZEL I, IN ITS GULF OF HAMMAMET PERMIT AREA. OTHER MAIN FOCUS OF INTEREST IS BUTTE'S 1976 DISCOVERY WELL, YASMIN I, IN GULF OF HAMMAMET-CAP BON PERMIT AREA IT SHARES WITH CFP AND OTHERS. IT APPEARS LIKELY THAT AT LEAST ONE OF THESE WELLS WILL LEAD TO DEVELOPMENT OF NEW OFFSHORE PRODUCING FIELD--ADDING 20 PERCENT OR MORE TO TUNISIA'S PRODUCTION, WHICH NOW APPROACHING 100,000

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BARRELS PER DAY. (END SUMMARY).

2. ELF-AQUITAINE'S HALK-EL-MENZEL I WELL, AT LATITUDE 35 DEGREES, 55 MINUTES, 50 SECONDS NOROH, LOGITUDE 11 DEGREES, 33 MINUTES, ZERO SECONDS EAST, WAS STARTED MAY 11 AND FINISHED JUNE 30 AT 1308 METERS IN LOWER MIOCENE SANDS. (WELL WAS DRILLED BY PENTAGON 81, OWNED BY FOREX-NEPTUNE.) ELF-

AQUITAINE PLANS A CONFIRMATION WELL FOR EARLY 1978. MEANWHILE, IT WILL DRILL ANOTHER WELL THIS FALL TO EXPLORE DIFFERENT PART OF SAME BROKEN STRUCTURE WITHIN ITS GULF OF HAMMAMET PERMIT AREA.

3. LOCAL ELF-AQUITAINE REPRESENTATIVE HAS TOLD US IT IS PREMATURE TO SAY WHETHER RESERVES WILL PROVE TO BE OF COMMERCIAL SCALE. HOWEVER, RELIABLE SOURCE INGOT SAYS THERE IS GOOD LIKLIHOOD THAT TESTED PORTION OF STRUCTURE ALONE WILL YIELD ONE MILLION TONS ANNUALLY (20,000 B/D). TEST WELLS IN EACH OF CENTRAL, EASTERN AND SOUTHERN PORTIONS OF STRUCTURE (ALL OF ROUGHLY SIMILAR SIZE) WILL BE NEEDED TO DETERMINE WHETHER THESE TOO ARE OIL BEARING AND COMMUNICATE WITH TESTED WESTERN PORTION OF STRUCTURE.

4. WODECO III DRILL SHIP IS NEARING COMPLETION OF YASMIN II EVALUATION WELL SPUDDED JULY 25 AT LATITUDE 36 DEGREES, 25 MINUTES, 11.03 SECONDS NORTH, LOGITUDE 25 MINUTES, 06.23 SECONDS EAST--ABOUT 2.5 MILES FROM YASMIN I DISCOVERY WELL COMPLETED IN JUNE 1976 (WITH MEASURED FLOW OF 1,780 BARRELS PER DAY). WHILE RESULTS FROM YASMIN II ARE SAID TO BE SOMEWHAT DISAPPOINTING TO BUTTES LED GROUP, OIL HAS BEEN CONFIRMED IN SABRI SANDS IN LOWER MIOCENE. BUTTES AND PARTNERS PLAN ANOTHER EXPLORATORY WELL IN AREA IN NEXT FEW MONTHS.

5. ATTRACTION OF GULF OF HAMMAMET AREA HAS MADE VACANT ENFIDAVILLE
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BLOCK PARTICULARLY ATTRACTIVE, SO MUCH SO THAT ETAP (STATE OIL EXPLORATION COMPANY) IS CONTRACTING WITH BUTTES TO TAKE A 51 PERCENT INTEREST IN PERMIT WHEN IT IS AWARDED TO BUTTES. BUTTES RESOURCES PRESIDENT E. W. WELLBAUM, IN TUNIS EARLIER THIS WEEK, IS EXPECTED TO RETURN TO SIGN THE CONVENTION IN LATE SEPTEMBER. ON BASIS OF LETTER OF INTENT FROM KMINISTRY OF NATIONAL ECONOMY (ASSURING BUTTES THAT EXPENSES WOULD BE RECOGNIZED UNDER PERMIT TO BE ISSUED LATER), BUTTES HAS ALREADY TAKEN ADVANTAGE OF SUMMER SEASON TO PERFORM SEISMIC WORK IN ENFIDAVILLE OFFSHORE AREA.

6. FURTHER OFFSHORE, ROYAL DUTCH SHELL'S BYRSA I/IA WELL, COMPLETED EARLY THIS YEAR (DEPTH 1,568 METRES) AT LATITUDE 36 DEGREES, 26 MINUTES, 24 SECONDS AND LOGITUDE U11 DEGREES, 44 MINUTES, 21 SECONDS, FURTHER DEFINES THE AREA OF CURRENT INTEREST. THE SHELL WELL IN GULF OF HAMMAMET (OCEAN DEEPS) PERMIT AREA HELD WITH AGIP REPORTEDLY FOUND OIL SHOWS, ALSO IN TERTIARY STRATA, BUT WAS SUBJECT TO VARIOUS TECHNICAL PROBLEMS. ACTIVITY ALSO IS REPORTED IN ITALIAN PERMIT AREAS CLOSER TO SICILY.

7. COMMENT. DEVELOPMENTS IN THIS UNDISPUTED AREA OFFSHORE

TUNISIA ARE ENCOURAGING AND BULLISH FOR THE TUNISIAN BALANCE
OF PATVENTS A FEW YEARS HENCE. HOWEVER, WE AS YET SEE NO REPEAT
NO OBJECTIVE BASIS FOR EXTRAVAGANT RUMORS, SOME IN GOT CIRCLES,
WHICH HAVE LOOKED TO MANY-FOLD INCREASE IN TUNISIAN OIL
PRODUCTION.
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Message Attributes

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Disposition Approved on Date:
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